

**RETIREMENT PENSION PLAN
OF THE
NATIONAL ASSOCIATION OF FREE WILL BAPTISTS**

SUMMARY BOOKLET

*Retirement Pension Plan of the National Association of Free Will Baptists
Summary Plan Description
Effective January 1, 2023*

#9010066v1

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**RETIREMENT PENSION PLAN
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SUMMARY PLAN DESCRIPTION

INTRODUCTION

In order to assist its employees in ensuring that they have enough funds set aside for their retirement years, the National Association of Free Will Baptists, Inc. established the Retirement Pension Plan of the National Association of Free Will Baptists (“Plan”). This Plan was amended and restated, effective January 1, 2019, and it has subsequently been amended. The Plan is intended to provide retirement security to Free Will Baptist ministers and other eligible employees. It allows your employer to set funds aside for your retirement. In addition, it enables you to set aside a portion of your earnings in a tax-advantaged manner during your working years.

The Plan is a church retirement income account program described in section 403(b)(9) of the Internal Revenue Code (the “Code”). The Code permits denominations and churches to set up retirement plans designed to permit you and your employer to accumulate retirement savings. The Plan takes full advantage of these special tax rules.

The Plan is intended to be adopted by eligible Free Will Baptist employers. By adopting this Plan, your employer can establish its own 403(b) plan, separate from the 403(b) plan of any other eligible employer.

You are encouraged to read this booklet carefully to understand how your employer’s Free Will Baptist Retirement Plan works.

This Booklet is a Summary of the Plan

The term “Plan,” as used in this booklet, refers to the retirement income account program administered by the Board of Retirement and Insurance for the National Association of Free Will Baptists, which your employer has adopted. This booklet is a summary description of only that Plan. This booklet does not describe any other agreements that your employer may have with providers of other 403(b) arrangements.

You should refer to these pages first when you have a question about the Plan. This booklet highlights the main provisions of the Plan and includes important information. However, this booklet is just a summary; it cannot describe how the Plan works under every conceivable set of circumstances. In all cases, your rights under the Plan are governed by the Plan’s legal document. In the event that this summary is inconsistent with the Plan document, the legal Plan document will control. In addition, as indicated above, this summary does not describe any other 403(b) arrangements that your employer may offer.

A copy of the Plan document may be obtained from the Board of Retirement and Insurance of the National Association of Free Will Baptists, Inc. at the address below:

National Association of Free Will Baptists
Board of Retirement and Insurance
Post Office Box 5002
Antioch, Tennessee 37011-5002
(615) 760-6105
(877) 767-7738 (toll-free number)

The Plan is an Important Part of Your Financial Security

The Old Testament story of Joseph illustrates a strategy for financial planning. Joseph knew there would be seven years of good harvest followed by seven years of no harvest. He had to set aside a significant amount of grain during the good years in order to ensure provisions during the bad years.

This story illustrates the reality that we all have productive years followed by years in which our economic productivity will be reduced or cease. This will most likely occur when we retire. Therefore, it is necessary to set aside “the grain” during the good years for those times in retirement when our earned income will decrease or cease.

The primary purpose of the Plan is to provide Plan participants and their beneficiaries with retirement income. The contributions to your Account are an important part of financial security in your retirement. Additionally, Social Security (if you have not elected out of it), personal savings, any other retirement savings, and home ownership also contribute to your financial security at retirement.

At retirement, your total Account, that is, all contributions to the Plan plus any investment earnings or losses, form the basis for calculating your retirement benefit, which you can elect to have paid to you in the form of a monthly annuity, in installment payments, or as a lump sum.

The Plan is a Defined Contribution Plan

The Plan is a defined contribution plan. Plan contributions come from employer contributions and voluntary contributions you make. All contributions are credited to your Account in the Plan. The tax laws limit the amount of contributions which both you and your employer can make each year to the Plan on your behalf. (For more information on contribution limits, see “How Much To Contribute” on page 5.)

Plan Administrator

The Board of Retirement and Insurance of the National Association of Free Will Baptists, Inc. (“Board”) administers the Plan. However, the Board may from time to time contract with outside vendors to perform certain administrative services associated with the Plan. If you have any questions about the Plan, you can contact a representative of the Board at (615) 760-6105. Or you can call the Board of Retirement Office’s toll-free number at (877) 767-7738.

ELIGIBLE EMPLOYEES AND ENROLLMENT

You are eligible to participate in the Plan if you are working at least 20 hours a week for an eligible employer that has agreed to participate in the Plan (“Participating Employer”). An eligible employer includes any Free Will Baptist church or agency. In addition, licensed or ordained Free Will Baptist ministers who are evangelists or otherwise self-employed and the spouses of Free Will Baptist missionaries (who are employed by a Participating Employer) are eligible to participate in the Plan without regard to the number of hours they work a week.

Any individual (either minister or lay employee) who is serving in a voluntary ministry without compensation is not eligible to participate in the Plan.

If you are eligible to participate as described above, you can become a participant in the Plan upon submitting an Enrollment Agreement to the Board. You must also agree to a minimum contribution of at least \$10. (This minimum contribution, which may be changed from time to time, may be either Employer Contributions or voluntary contributions that you make. See the section entitled “Contributions” on page 5 for a description of the different contributions that may be made to the Plan.) In addition, if you want to make Salary Reduction Contributions to the Plan, you must submit a signed Salary Reduction Agreement to your employer.

Your enrollment date is the date on which your Enrollment Agreement is accepted by the Board. You may obtain a copy of the Enrollment Agreement, a Salary Reduction Agreement, and any other Plan forms that the Board requires by contacting the Board of Retirement Office at (615) 760-6105. Or you can call the Board of Retirement Office’s toll-free number at (877) 767-7738.

Automatic Enrollment

Your Participating Employer may elect to automatically enroll its employees at an employee Salary Reduction Contribution default rate it selects. If your employer has elected automatic employer, your employer will provide you a required notice with more information including the default percentage. If your employer has made such an election and you are not making Salary Reduction Contributions to the Plan, and you do not complete a form indicating that you do not wish to make Salary Reduction Contributions within a reasonable time of receiving the automatic contribution arrangement notice from your employer, then you will be automatically enrolled in the Plan. If elected by your employer, the default contribution percentage will increase by one percentage point each Plan Year beginning with the second full Plan Year that begins after the default contribution percentage first applies. You can elect not to participate in Salary Reduction Contributions or you may elect to change the percent of your Salary Reduction Contributions at any time by notifying your employer in writing. Any such election changes will be made as soon as administratively feasible. If you have any questions about whether your employer has elected the automatic enrollment, you should contact your employer.

CONTRIBUTIONS

Types of Contributions

There are several types of contributions that may be made to the Plan.

Employer Contributions

One type of contributions that may in some instances be made to the Plan is Employer Contributions. Each Participating Employer is allowed to decide, in its discretion, how much it wants to contribute to the Plan, if any, on behalf of eligible employees. There is no requirement that your employer must contribute to the Plan, so you must discuss with your employer whether it will make Employer Contributions to the Plan, and if so, how much or in what percentage those Employer Contributions may be.

Employee Elective Contributions

Another important type of contributions is Employee Elective Contributions which you elect to make to the Plan by means of voluntary salary reduction. This type of contribution allows you to contribute a certain portion or percent of your compensation to the Plan. You choose how much you want to contribute. All eligible employees can make Elective Contributions to the Plan.

There are two types of Elective Contributions that you can make to the Plan: Salary Reduction Contributions and Roth Contributions. For both types of contributions, you must complete a Salary Reduction Agreement indicating the dollar amount or percentage of your compensation that you would like to have contributed to the Plan and identifying which portion of the contribution is intended to be a pre-tax Salary Reduction Contribution and which portion is intended to be an after-tax Roth Contribution. You may obtain a copy of a Salary Reduction Agreement from the Board by calling (615) 760-6105, or you can call the Board of Retirement Office's toll-free number at (877) 767-7738. You may terminate a Salary Reduction Agreement at any time with respect to future compensation not currently available.

Salary Reduction Contributions

This type of Elective Contribution is a contribution made to the Plan on a pre-tax basis. You get to decide how much to contribute to the Plan as a Salary Reduction Contribution by filling out a Salary Reduction Agreement. Salary Reduction Contributions will then be automatically withheld from your paycheck and transmitted monthly to the Plan for investment. Salary Reduction Contributions reduce your currently taxable income by the amount of your contribution, saving you current tax dollars. The idea is that, since you are not actually receiving a portion of your salary now, you are also not taxed on it now. However, non-ordained employees do pay employment taxes (FICA, FUTA and Medicare) on their Salary Reduction Contributions.

Roth Contributions

A second type of Elective Contribution is a Roth Contribution. Roth Contributions, like Salary Reduction Contributions, are deducted from your salary based on your individual salary reduction election. However, unlike Salary Reduction Contributions, which are made with pre-tax dollars, Roth Contributions are made with after-tax dollars. That means that Roth Contributions do not reduce your currently taxable income. However, if certain requirements are met, and your Roth Contributions are later distributed in what is called a “qualified distribution,” your Roth Contributions (and any earnings on those contributions) are never taxed. (“Qualified distributions” are discussed in the section of this Plan Summary entitled “Special Rule for Distributions of Roth Contributions” on page 24 of this booklet.) In order for your Elective Contributions to be treated as Roth Contributions, you must irrevocably designate your Elective Contributions as Roth Contributions in your Salary Reduction Agreement. Roth Contributions shall be subject to the requirements of Code section 402A and any applicable regulatory guidance of the Internal Revenue Service.

If you are receiving disability pay under a Participating Employer’s long-term disability insurance plan or under Social Security, you will not be permitted to make Roth Contributions to the Plan from those sources of income.

After-Tax Contributions

In addition to Salary Reduction and Roth Contributions, to the extent permitted by the rules and regulations of the Board and limitations under the Code, you can also make After-Tax Contributions to the Plan. These are additional contributions that you choose to contribute on an “after-tax” basis. You can make After-Tax Contributions by sending a check to the Board, or by setting up an automatic bank draft from your personal bank account. You should contact the Board if you wish to make After-Tax Contributions to the Plan by calling (615) 760-6105. Or you can call the Board of Retirement Office’s toll-free number at (877) 767-7738.

Like Roth Contributions, After-Tax Contributions do not reduce your currently taxable income by the amount contributed. However, unlike Roth Contributions, earnings on any After-Tax Contributions you make will be taxed when you withdraw these amounts from the Plan.

Rollover and Transfer Contributions

If you are a participant in another retirement plan, or if you have been contributing to another 403(b) tax-sheltered annuity provider through your employer, you may also be able to make a Rollover Contribution or a Transfer Contribution to this Plan in accordance with and subject to procedures established by the Plan Administrator and any limitations imposed under the Code. A Rollover Contribution is a direct rollover of a distribution made from another retirement plan or an IRA into your Account in this Plan. A Transfer Contribution is a transfer directly from another 403(b) annuity provider to the Plan. There are a number of special rules and limitations on Rollover and Transfer Contributions. Therefore, if you are a participant in another retirement plan

or IRA, or if you have made retirement contributions to a different 403(b) provider, you should check with the administrator or the provider for that plan, as well as the Board, to see if you are eligible to make a Rollover or Transfer Contribution to the Plan.

Contributions Are Intended for Retirement

Remember, it is generally expected that all contributions will stay in the Plan until you retire. Although it is possible to take a distribution of some of your employee contributions prior to retirement, this Plan is not intended to be used like a savings account. Rather, it is designed to provide funds for you in retirement.

How Much To Contribute

How much can you contribute to the Plan each year? The determination of the annual limit on your Plan contributions is a complex area of the tax laws, and you should consult your tax adviser about it.

Basic Limits: There are two limits on the amount of contributions that can be made to your Account. The first limit only applies to your voluntary Salary Reduction Contributions and Roth Contributions. The other limit applies to all contributions made to the Plan on your behalf – both your own voluntary contributions and employer contributions. **You cannot exceed either of these limits.**

- Limit on Employee Elective Contributions. The first contribution limit is that the total amount of your voluntary Salary Reduction Contributions and/or Roth Contributions cannot exceed a specified dollar amount. For 2023, that dollar amount is \$22,500. The Internal Revenue Service (“IRS”) may increase this dollar limit from time to time to account for cost-of-living increases. The Board will let you know if the IRS increases this limit.
- Limit on Total Contributions. The second contribution limit is that the total amount of your Salary Reduction Contributions, Roth Contributions, After-Tax Contributions and Employer Contributions in a calendar year cannot exceed 100% of your taxable compensation or a specified dollar amount, whichever is less. For 2023, that dollar amount is \$66,000. The IRS may increase this dollar limit from time to time to account for cost-of-living increases. Please note that, for this purpose, the limit is based on taxable compensation. This means that “compensation” used for purposes of the second contribution limit cannot include any tax-excludible housing allowance (if you are a minister).

Age 50 Catch-Up Contribution Limit. A special “catch-up” contribution limit applies if you are age 50 or greater. Under the “age-50” catch-up contribution limit, beginning in the year you turn 50, you can make additional voluntary contributions. In 2023, the amount of these catch-up contributions can be \$7,500 a year. These additional voluntary contributions do not count for purposes of the two main contribution limits discussed above. That means that if you turn 50 in

2023, you can make Salary Reduction Contributions and/or Roth Contributions in the amount of \$22,500, plus an additional \$7,500 in “age-50” catch-up contributions (so that total Salary Reduction Contributions in 2023 could be as much as \$30,000). The IRS may increase this age-50 catch-up limit from time to time to account for cost-of-living increases. The Board will let you know if the IRS increases this limit.

Note: As described above, the tax laws limit the amount of contributions (not including Rollover or Transfer Contributions) that may be contributed on an employee’s behalf. Because determining these limits depends on your own financial circumstances, the Board cannot be responsible for complying with them; that must be your responsibility. However, the Board will provide you with information regarding these limits upon request.

EXAMPLES OF APPLICATION OF CONTRIBUTION LIMITS

Example One: In 2023, Pastor Jones receives a \$25,000 salary, of which \$15,000 is eligible as tax-excludible housing allowance. Pastor Jones' employer wants to make Employer Contributions of 5% of his base salary. Pastor Jones' base salary = \$25,000. That means Pastor Jones' employer will contribute \$1,250 to the Plan in the form of Employer Contributions.

Plan Contributions:

Employer Contributions:	\$1,250
Other Contributions:	<u>\$0</u>
Total Contributions:	\$1,250

Annual Limit on Total Contributions for 2023:

Lesser of: \$66,000 or 100% of taxable compensation.

Pastor Jones' taxable compensation is \$10,000 (\$25,000 salary less \$15,000 housing allowance = \$10,000).

That means that the maximum limit on total contributions is \$10,000.

Conclusion: \$1,250 (the Employer Contributions) is less than annual contribution limit (\$10,000). So Pastor Jones' employer can make the full 5% Employer Contribution to the Plan.

Example Two: The facts are the same as for Example One, except that in addition to the 5% Employer Contributions, Pastor Jones wants to contribute \$10,000 in Salary Reduction Contributions to the Plan.

Plan Contributions:

Employer Contributions:	\$1,250
Salary Reduction Contributions:	<u>\$10,000</u>
Total Contributions:	\$11,250

Annual Limit on Salary Reduction Contributions for 2023:

\$22,500

Annual Limit on Total Contributions for 2023:

Lesser of: \$66,000 or 100% of taxable compensation.

Pastor Jones' taxable compensation is \$10,000 (\$25,000 salary less \$15,000 housing allowance = \$10,000).

That means that the maximum limit on total contributions is \$10,000.

Conclusion: Although Pastor Jones' Salary Reduction Contributions do not exceed the \$22,500 limit on salary reduction contributions, his total contributions (\$11,250) are more than the annual limit on total contributions. Pastor Jones must reduce his Salary Reduction Contributions to \$8,750. This is true even though Pastor Jones has not exceeded the annual limit for salary reduction contributions.

Example Three: Mary Smith is working for a Free Will Baptist employer and earns a base salary in 2023 of \$20,000. She is not a minister, so no portion of this salary is eligible to be treated as tax excludible housing allowance. Like Pastor Jones, Mary's employer wants to make Employer Contributions in the amount of at least 5% of Mary's base salary, which is \$1,000 (5% of \$20,000 = \$1,000).

Plan Contributions:

Employer Contributions:	\$1,000
Other Contributions:	<u>\$0</u>
Total Contributions:	\$1,000

Annual Limit on Total Contributions for 2023:

Lesser of: \$66,000 or 100% of taxable compensation.

Mary's taxable compensation is \$20,000.

That means that the maximum limit on total contributions is \$20,000.

Conclusion: \$1,000 is less than annual contribution limit. So Mary's employer can make the full 5% Employer Contribution to the Plan.

Example Four: The facts are the same as for Example Three, except that Mary's base salary is \$22,000 and Mary is 62 years old and nearing retirement. She wants to contribute the entire amount of her salary to the Plan. For purposes of this example, Mary's employer wants to make Employer Contributions for Mary in the amount of \$1,000.

Plan Contributions:

Employer Contributions:	\$1,000
Salary Reduction Contributions:	<u>\$22,000</u>
Total Contribution:	\$23,000

Annual Limit on Salary Reduction Contributions for 2023:

Basic limit: \$22,500

Annual Limit on Total Contributions for 2023:

Lesser of: \$66,000 or 100% of taxable compensation.

Mary's taxable compensation is \$22,000.

That means that the maximum limit on total contributions is \$22,000.

Age 50 Catch-Up Contribution Limit for 2023:

Age 50 Catch-up Contributions: \$7,500

Conclusion: The total contributions to the Plan are more than Mary's taxable compensation. However, because Mary is 62, she is eligible to make up to \$7,500 in age-50 catch-up contributions. These catch-up contributions are in addition to the annual limit on salary reduction contributions, and also in addition to the annual limit on total contributions. That means that Mary can make Salary Reduction Contributions in the amount of \$22,500 and she can also make an additional \$7,500 in age-50 catch-up contributions. In this example, the total contribution of \$23,000 would exceed the annual limit on total contributions. However, because Mary is over age 50, \$1,000 of her Salary Reduction Contribution can be treated as an age-50 catch-up contribution. So, Mary's total Salary Reduction Contributions to the Plan are within the legal limits. This is true even though the total contributions to the Plan (Employer Contributions plus Mary's Salary Reduction Contributions), in this example, are more than Mary's taxable compensation.

Vesting

Vesting is another word for "ownership," or your irrevocable right to obtain contributions (with any earnings and losses) made to the Plan on your behalf. All contributions to the Plan are 100% vested and nonforfeitable. The contributions to your Plan Account are subject to adjustment from any earnings and losses, as applicable. Your Plan Account stays with you if you move from one Participating Employer to another. In other words, you are fully vested in your Plan Account from the first day of Plan participation. In case of your death, your spouse or named beneficiary will receive your entire Account.

Federal and State Income Tax Information

Except as noted below, you do not pay federal income taxes on the contributions at the time Salary Reduction or Employer Contributions are made. All income taxes on those amounts are deferred until benefits are paid to you or your beneficiary. You do, however, pay income taxes on any Roth Contributions and After-Tax Contributions you make to the Plan.

The way in which your Plan contributions and benefits will be taxed under most state and local income tax laws will be the same way in which they are taxed for federal tax purposes. However, you should consult a tax advisor about taxation of your contributions and benefits under state and local income tax laws, if you are subject to such taxes.

The contributions which are made by your employer are not subject to employment taxes or creditable toward Social Security benefits. However, if you are not a minister, your Salary Reduction Contributions are subject to employment taxes (FICA, FUTA and Medicare).

No statements in this booklet summary are intended to be legal, tax, investment, or financial advice.

Housing Allowance

If you are a retired minister of the gospel, up to 100 percent of your annual retirement benefits from the Plan may be designated as available for retiree housing allowance, pursuant to IRS Revenue Ruling 75-22. However, the amount actually excludable as housing allowance cannot exceed the least of:

- *The fair rental value of the furnished home plus the cost of utilities; or*
- *The actual expenses of maintaining a home; or*
- *The amount designated by the Board for such year as a housing allowance.*

YOUR PLAN ACCOUNTS

All contributions made on your behalf to the Plan, along with any earnings and losses, as applicable, on those contributions, will be credited to an Account under the Plan held in your name. You will receive a statement of your Account balance once every quarter. This statement will reflect all contributions to your Account made since the preceding statement, including Rollover and Transfer Contributions, all amounts paid to you from your Account during that period, if any, and all earnings and losses credited to your Plan Account.

To find out your Account balance from time to time, you can contact the Board of Retirement Office at (615) 760-6105. You can also call the Board of Retirement Office's toll-free number at (877) 767-7738.

PLAN INVESTMENT OPTIONS

This Plan is intended to give you an opportunity to exercise control over the investment of the assets in your Account. All amounts credited to your Account under the Plan will be invested at your direction in one or more Investment Options available under the Plan as selected by the Board. If you do not select an Investment Option, your Plan contributions will be invested in the Default Strategy. See below for more information with respect to the Default Strategy.

Each Investment Option is different and has its own specific investment objective. Each Investment Option is made up of many individual stocks, bonds, and/or other investments. Professionals select underlying investments for each Investment Option that they believe will best help the Investment Option achieve its stated goal for investors. It is up to you to decide in which of the Investment Options you want to invest and how much of your Plan contributions and assets you want to invest in each one. The choice of how to invest is entirely up to you. You should review the available investment information carefully before you choose the Investment Option or Investment Options in which to invest the contributions made to the Plan on your behalf.

Before investing in any Investment Option, you should carefully consider the investment objectives, risks, charges, fees, and expenses for that Investment Option. Certain reasonable fees, that may be modified from time to time, may be charged to your Account for settlements from certain Investment Options related to distributions and withdrawals from such Investment Options. For more information, you may contact the Board of Retirement Office. In addition, you should consider and from time to time review the earnings and losses, the performance, of the Investment Option or Options you have selected. You will periodically be provided with information on the earnings and losses, the performance, of all of the available Investment Options, and you should compare the performance information of the Investment Options you have selected with that of the other available Investment Options.

Effective beginning May 1, 2022, five (5) Investment Options are offered under the Plan. Four (4) of the offered Investment Options generally have pre-set goal allocations among certain assets classes. One (1) offered Investment Option generally can be personalized and customized by a Plan participant through such participant's election of the investment allocation from certain offered assets classes. High level summaries of these five (5) Investment Options are listed below, but be aware that the Investment Options (and their allocations) may change from time to time. As indicated above, you can elect to invest your Plan Account and all contributions made on your behalf to the Plan in one or more of these options, in accordance with the Plan's procedures for making this election. You may log onto the following website portal to make investment changes for the assets in your Plan Account <https://www.yourplanaccess.net/freewillbaptist/>.

Pre-Set Allocations – Investment Options

- **Set-Rate Fund.** This Investment Option is managed with the goal to earn a set rate of return to the participant and help offset volatility over the short-term. However, the Set-Rate Fund

does not provide any guaranteed rate of return. The goal rate is set by the Board and is subject to change and adjusted based on the overall performance of the fund, but it is not guaranteed. The Set-Rate Fund generally has a mixture of equities and fixed income.

- Moderate Strategy. This Investment Option has an investment allocation with the goal to seek modest capital appreciation with a greater priority on current income, while recognizing the possibility of moderate price volatility. The goal is to generally have approximately 40% invested in stock funds (generally 10% All Cap Growth, 15% Large Cap Growth, and 15% Large Cap Value). The remainder is invested in bond funds (Short Term Fixed Income), alternative investments, and/or cash/currency.
- Default Strategy. This Investment Option has an investment allocation with the goal to seek to achieve above-average capital appreciation and a moderate level of current income and price volatility. The goal is to generally have approximately 60% invested in stock funds (generally 30% Large Cap Growth and 30% Large Cap Value) and 40% invested in bond funds (Intermediate Fixed Income), alternative investments, and/or cash/currency. The Default Strategy Investment Option is the Plan's default investment option. If you do not select an Investment Option, your Plan contributions (including any contributions through an automatic contribution arrangement and any Employer Contributions, each if applicable) will be invested in the Default Strategy Investment Option.
- Maximum Strategy. This Investment Option has an investment allocation with a very long-term perspective and the goal to seek maximum long-term growth of capital, while accepting a high level of price volatility. The goal is to generally have approximately 80% invested in stock funds (generally All Cap Growth), 10% in Real Estate Investment Trust(s) (REITs), and the remainder invested in bond funds (Short Term Fixed Income), alternative investments, and/or cash/currency.

Custom Allocation – Investment Option

- Custom Asset Allocation. This Investment Option will have a custom asset allocation based on the personalized asset allocation the participant elects from the following asset classes. Generally, any combination of these asset classes may be elected through the Custom Asset Allocation Investment Option. Please visit www.boardofretirement.com/2022-investment-plan-options/ for more details about the Custom Asset Allocation Investment Option and summary descriptions of the asset classes.
 - Intermediate Fixed Income
 - Large Cap Growth
 - Large Cap Value
 - Short Term Fixed Income
 - All Cap Growth

- Real Estate Investment Trust (REIT).

Remember: The Board (or its appointed delegate) may add, eliminate, or otherwise change the Investment Options to be offered under this Plan at any time. However, if it does so, it will notify participants in advance of any change.

For more information on the Investment Options available under this Plan, you may contact the Board of Retirement Office at (615) 760-6105 or toll-free at 1-877-767-7738.

This is not intended to be legal, tax, investment, or financial advice.

NOT INSURED: Any retirement Account under the Plan is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

SECURITIES LAWS: The Board of Retirement or any company or account maintained to manage or hold assets of the Plan and interest in such Plan, companies or accounts (including any funds maintained by the National Association of Free Will Baptists Board of Retirement) is not subject to registration, regulation or reporting under the Investment Company Act of 1940, the Securities Act of 1933, the Securities Exchange Act of 1934, Title 15 of the United States Code or state securities laws. Therefore, the Plan participants and beneficiaries will not be afforded the protections of those provisions.

INVESTMENT CHOICE PROCEDURES

Incoming Contributions

All incoming contributions are invested in one or more of the Investment Options offered under the Plan, which you may designate in any combination and in any amount. There is no minimum dollar amount that must be contributed to any one Investment Option, but investments must be designated in increments of one percent (1%).

You pick your Investment Option(s) when you first enroll in the Plan. Your investment selection is made on the application which is included in your enrollment packet. (See “Eligible Employees and Enrollment” for more information on enrollment.)

Note: If you do not make an investment choice on your application at the time of your enrollment, all contributions made on your behalf will be invested in the Default Strategy, described in the **Plan Investment Options** section on page 14.

You can change your Investment allocation at any time. To do so, you can make the change on your online portal or file an Investment Option election form with the Board. You may log onto the following website portal to make investment changes for the assets in your Plan Account <https://www.yourplanaccess.net/freewillbaptist/>. You may change your investment allocations with elections in increments of one percent (1%). Any election to change the investment of incoming contributions generally will be effective as soon as is administratively feasible. Any changes are subject to the procedures established by the Board.

Transfers of Existing Accumulations Between Funds

You may elect to have all or a portion of the funds in your Account that are credited to one Investment Option transferred to one or more other Investment Options. You may make such a transfer only once per month. To do so, file an Investment Option election form with the Board. You may change the investment allocations of the funds in your Account with elections in increments of one percent (1%), and you may transfer up to a maximum of 100% of your total account in a single month. Any election to transfer existing Account assets between Investment Options will be effective as soon as is administratively feasible, with only one transfer allowed per month. Any changes are subject to the procedures established by the Board.

How to Choose Among Investment Options

Which of the investment options you choose depends on many different considerations. Below are three different questions you may want to consider as you determine which investment option(s) are best for you:

1. *How long will the money be invested? (What is your investment time horizon?)*

2. *How tolerant are you in seeing your account value decline in times when the markets have their inevitable pullbacks? (How tolerant are you of risk?)*
3. *How much money do you think you will need for retirement? (What are your investment goals?)*

The answers to these questions can vary widely among individuals and you may also change how you answer these questions at various times in your life. The right investment choice for one person may not be the right choice for another. For example, if your risk tolerance is low, or you have relatively modest investment goals, you may want to consider more conservative investment options. However, if your investment goals (in terms of income needed in retirement) are high, and you are not planning on retiring for a long time, you may want to consider investing more aggressively.

This is not intended to be legal, tax, investment, or financial advice. Risks are inherent with investing. Loss of principal is possible.

PAYMENT OF BENEFITS

What Determines the Amount of Your Retirement Distribution

The monthly retirement benefit to which you are entitled will be based on the balance in your Account at the time you begin to receive distributions from the Plan. Your age and your beneficiary's age at the time of retirement and actuarial assumptions currently in effect will also affect the amount of the benefit payments you will receive. In addition, the form of retirement payment you select will affect the amount of monthly payments you receive. For example, if you select the joint and survivor life form of annuity payment, the amount of each monthly payment will be less than it would have been if you had selected the single life form of annuity payment as a result of the provision of potential survivor payments.

How to Apply for Benefits

In order to receive your Plan benefits, you must file an election (on a form provided by the Board) designating the form and time for benefit payment. Your spouse must sign a written consent before any distribution is made to you. Any written spousal consent must be provided pursuant to procedures adopted by the Board. All benefit payments must be approved by the Board. You can contact the Board of Retirement Office at (615) 760-6105 to obtain more precise information about how to apply for your retirement benefits and for copies of the required benefit payment election forms. You can also call the Board of Retirement Office's toll-free number at (877) 767-7738.

Retirement Benefits

You may request a distribution of your entire Account when you retire after reaching age 59½. Distributions made on or after age 59½ can be made in one of several forms of benefits described below. These distribution options include several different annuity forms of benefits, installments and lump sum distributions. (See "In What Form Will My Benefits Be Paid?" on page 21.)

Pre-Retirement Termination Benefits

If you terminate your employment with your Free Will Baptist employer and any and all other employers that participate in the Plan before you reach age 59½, you may elect to receive a distribution of your entire Account. Pre-retirement distributions will be made to you in the form of a single lump sum, or you can have this lump sum distribution rolled over to another retirement plan or IRA. (See "Direct Rollovers and Mandatory Withholding" on page 28 for a discussion of rollover procedures.)

Disability Retirement Benefits

If you become totally and permanently disabled, you may apply for disability retirement benefits. Total and permanent disability means a total and presumably permanent disability such that you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued

and indefinite duration. If you are totally and permanently disabled, you may elect any of the forms of benefit payments available under this Plan. (See “In What Form Will My Benefits Be Paid?” on page 21 for more detailed information on the forms of benefits available to you.)

Pre-Retirement Death Benefits

If you die before you start to receive benefits from the Plan, the person you designate as your beneficiary is entitled to receive a benefit equal to your Account balance from the Plan. Your beneficiary can elect the same form of benefit payments that would have been available to you under the Plan if you had retired. (See “In What Form Will My Benefits Be Paid?” below for more detailed information on the forms of benefits.)

If your beneficiary is your surviving spouse, he or she can begin to receive benefits immediately upon your death or, if he or she elects, the distribution of benefits may be postponed until the date upon which you would have reached age 72.

There are specific IRS rules regarding when distributions must commence to your beneficiary following your death, depending on the type of Beneficiary. As a result, it is important for your beneficiary to contact the Board at (615) 760-6105 or its toll-free number at (877) 767-7738 to confirm that distribution is made by the applicable deadline. Your beneficiary is encouraged to seek competent professional tax advice with respect to any Plan distributions.

Selecting a Beneficiary

It is important that you complete the Plan beneficiary designation form so that the Board will know who is to receive the money in your Account if you should die before it is distributed. You can revoke and change your beneficiary designation at any time in accordance with procedures set by the Board.

If you are married and you want to select someone other than your spouse as your beneficiary, your spouse must consent to your beneficiary designation. This means you will have to provide the Board with your spouse’s consent to your choice of beneficiary. If you get remarried, you will need to get the consent of your new spouse to any choice of beneficiary other than the new spouse. This is true even if your first spouse consented to your initial beneficiary designation.

Your designated beneficiary does not have to be a person. In fact, you can designate a trust, a charitable organization or any other entity to be your beneficiary. There are special rules that you can use for estate-planning purposes if you designate a trust as your beneficiary. If you designate a trust as your beneficiary under the Plan, you should contact the Board if you wish to achieve those estate-planning goals. This is not intended to be legal, tax, or financial advice.

A Plan beneficiary and an alternate payee under a qualified domestic relations order may also designate a beneficiary (subject to written spousal consent rules) to receive any benefits to which you may be entitled under the Plan subject to procedures established by the Board.

You can obtain a copy of the beneficiary designation form by calling the Board of Retirement Office at (615) 760-6105. You can also call the Board of Retirement Office's toll-free number at (877) 767-7738 to obtain this form.

If you do not effectively name a beneficiary and you die, your Account will be paid in a form determined by the Board, to the person or persons in the first of the following classes of beneficiaries with one or more members of such class then surviving in equal shares: your (1) widow or widower, (2) children, (3) parents, (4) brothers and sisters, or (5) executors and administrators.

Revocation of Spouse Beneficiary Designation Upon Divorce

Beginning effective as of April 1, 2022, if after you have designated your spouse as your beneficiary under the Plan you divorce, your beneficiary designation with respect to such spouse will automatically become ineffective upon your divorce unless: (1) your divorce decree or a qualified domestic relations order expressly provides otherwise, or (2) such automatic prohibition is prohibited under applicable state law. You may re-designate your former spouse as a beneficiary by entering into a new beneficiary designation after your divorce naming the prior spouse as a beneficiary, subject to any applicable consent requirements under the Plan such as written spousal consent from any current spouse. These spouse beneficiary designation divorce revocation rules also apply for any beneficiary designations made by an alternate payee of a qualified domestic relations order or for any beneficiary designations made by a beneficiary under the Plan.

Qualified Domestic Relations Orders (QDROs)

If you are divorced or legally separated from your spouse, absent a valid beneficiary designation stating otherwise, your benefits under the Plan shall only be paid or held for payment for your spouse or former spouse in such a situation pursuant to the terms of a qualified domestic relations order (QDRO). Your Account may be charged the reasonable fees and expenses, which may be modified from time to time, related to a QDRO determination. For more information about QDROs, you may contact the Board of Retirement Office at (615) 760-6105 or its toll-free number at (877) 767-7738.

In What Form Will My Benefits Be Paid?

The basic forms of retirement payments available under the Plan are described below. You may elect the form that best meets your needs. However, if you are married, you will need to provide the Board with the consent of your spouse for any distributions (except for with respect to distributions made under the required minimum distribution rules).

You cannot change the form of an annuity payment after retirement distributions begin. You must choose the form of retirement payment before any distribution from the Plan is made to you.

1. Joint and 100% Survivor Annuity Joint and Survivor Annuity

This is an annuity with monthly payments for your life with a survivor annuity in an amount of 100 percent of your life annuity paid to your surviving beneficiary over his or her lifetime. Payments must begin by the calendar year following the year in which you retire from employment with the Free Will Baptist Church or the calendar year in which you reach age 72, whichever occurs later.

2. Joint and Survivor Annuity with 10 or 15 Years Certain

This form of benefit guarantees payments will be made for at least a specified number of years. (You can choose either a 10-year period or a 15-year period.) Under this type of annuity, you and your beneficiary will receive monthly annuity payments for as long as either of you are living. However, if both you and your beneficiary die before the specified 10-year or 15-year period is completed, annuity payments will continue for the remainder of the specified period to your surviving spouse. If you have no surviving spouse, the remaining payments will be paid, in equal shares, to the first of following classes of beneficiaries with one or more surviving members: your children, your parents, your brothers and sisters, or the executors and administrators of your estate. If you elect this option, you must choose whether your guaranteed payments will be made for 10 years or for 15 years by completing an election form available from the Board before you begin to receive your Plan benefits. Payments must begin by the calendar year following the year in which you retire from employment with the Free Will Baptist Church or the calendar year in which you reach age 72, whichever occurs later.

3. Single Life Form

A single life annuity is a series of fixed payments paid monthly for as long as you live. Annuity payments must begin by the calendar year following the year in which you retire from employment with the Free Will Baptist Church or the calendar year in which you reach age 72, whichever occurs later.

4. Single Life Annuity with 10 or 15 Year Certain

Under a single life annuity with a 10 or 15 year certain period, guaranteed monthly payments will be made to you for at least a specified number of years. (You can choose either a 10-year period or a 15-year period.) Under this form of annuity, you will receive monthly payments for as long as you live. However, if you die before the specified 10-year or 15-year period is completed, annuity payments will continue for the remainder of the specified period to a beneficiary selected by you. Annuity payments must begin by the calendar year following the year in which you retire from employment with the Free Will Baptist Church or the calendar year in which you reach age 72, whichever occurs later.

5. Installment Form

This form of benefit provides you with fixed installment payments. You may choose from the following two types of installment payments:

- You can choose to receive funds in equal monthly payments over a period of time that you specify. The period must be no less than 12 months and no more than your life expectancy.
- In the alternative, you can choose to receive a certain dollar amount per month.

If you elect installment payments, your Account balance will be transferred into a settlement account and fixed installment payments will be made from the settlement account. Fixed installment payments will continue for the time period or in the amount elected until your account balance is depleted. If a designated number of payments is elected, the fixed installment amount will be based on your Account balance amortized over the number of payments elected, assuming a percentage earnings rate as designated under the Plan's terms. As of January 1, 2022, fixed installment payments earn a fixed rate of five percent (5%). However, if the Board determines that the assets in the settlement account are not sufficient to pay such fixed rate, it will adjust the rate as it deems necessary in its sole discretion. Any excess earnings above the rate designated by the Board will remain in the settlement account to be used by the Plan Administrator to offset costs of administering the Plan.

Federal regulations provide that payments must begin under this form of benefit no later than the calendar year in which you retire from employment with the Free Will Baptist Church, or the calendar year in which you attain age 72, whichever occurs later. These regulations also govern the time period over which the payment must be made.

If you elect installment payments, any amount remaining in your Account after you die will continue to be paid in installments to your beneficiary (subject to the required minimum distribution rules). If your beneficiary dies before all amounts have been paid, the balance will be paid in a lump sum to your beneficiary's designated beneficiary, or if there is no designated beneficiary, to your surviving spouse. If you have no surviving spouse, the balance will be paid, in equal shares, to the first of following classes of beneficiaries with one or more surviving members: your children; your parents; your brothers and sisters, or the executors and administrators of your estate.

6. Lump Sum Form

You may choose to receive a payment from the Plan as a single distribution of the total value of your Account. You may request a lump sum payment of your Account. In the alternative, you may also elect to receive a partial lump sum by taking an initial payment of a portion of your Account in a lump sum form and payment of the remaining amount of your Account in one of the other permitted forms of payment.

Example: Ted Winters has \$200,000 in his Plan Account. Upon his termination from employment at age 65, he decides he wants to purchase a new car for \$20,000. Ted can request that a partial lump sum distribution of \$20,000 from his Plan Account. He can then elect to have the balance (\$180,000) paid to him under any of the other options available under the Plan. He can also elect any of the annuity options or installment payments described above. However, if he chooses an annuity form of payment, he cannot change his mind after the annuity payments begin.

What Is The Difference In The Amount I Will Receive Under The Different Forms of Payment?

Depending on which form of benefit you choose, you will receive a different retirement payment. For example, the monthly payment you will receive if you choose a joint and 100 percent survivor annuity will be less than the amount you will receive if you choose a single life annuity. Also, if you select any of the annuity options with 10 or 15 years of certain payment, your payment will be less than if you chose the same option without having the 10 or 15 years of guaranteed payment. You can contact the Board at (615) 760-6105 for more precise information about the different amounts you will receive under each of the various payment options. You can also call the Board of Retirement Office's toll-free number at (877) 767-7738 to obtain the information.

Special Rule for Distributions of Roth Contributions

Any Roth Contributions you make are distributed to you on an after-tax basis. This means you are not taxed on any Roth Contributions when you withdraw them from the Plan. In addition, if the distribution is a "qualified distribution," you will not be taxed on the earnings on your Roth Contributions.

A "qualified distribution" of Roth Contributions is generally a distribution that:

- is made at least five taxable years after you make your first Roth Contribution to the Plan; and
- is made after you reach age 59½, die or become disabled.

Special Rule for Small Accounts

The Board may, in its sole discretion, make a lump sum benefit payment to you if you separate from service with your Free Will Baptist employer and the balance in your Account as of the date of your separation from service is less than \$1,000.

WITHDRAWALS AND ROLLOVERS

In Service Withdrawals After Age 59½

You can take a distribution of all of your Account on or after reaching age 59½, even if you have not retired. Subject to written spousal consent, on or after age 59½, you can request a pre-retirement distribution of all or a portion of your Salary Reduction Contributions, Roth Contributions, After-Tax Contributions, Rollover Contributions, Transfer Contributions and/or Employer Contributions whether or not you have terminated from service with your employer. (The different types of contributions are described in “Contributions” on page 5.) However, you can only request a pre-retirement distribution once during any twelve-month period. You can receive your pre-retirement distribution either in the form of a single lump sum or in a series of twelve (12) equal monthly installments. (Lump sum payments are described on page 23; installment payments are described on page 22.) If otherwise eligible, you may continue to make contributions to the Plan even if you take this post age 59½ in-service withdrawal.

In Service Withdrawals Prior to Age 59½

You can also take an in-service distribution from the Plan if you are under age 59½, but only your After-Tax Contributions, Rollover Contributions and certain Transfer Contributions are eligible for distribution. Subject to written spousal consent, you may choose to receive all or part of the value of these contributions at any time, whether or not you have terminated service with your employer. An in-service distribution prior to age 59½ will be paid to you in the form of a single lump sum. (Note: If you are under 59½, there are restrictions on withdrawals of any portion of your Transfer Contributions that is attributable to salary reduction contributions.)

If you are under age 59½ and still employed by your Free Will Baptist employer, you cannot receive a distribution of any Salary Reduction Contributions or Employer Contributions. You are only allowed to receive a distribution of these contributions if you have terminated employment or if you are age 59½ or older, or in the case of financial hardship, as described in the section on “Hardship Withdrawals” below, or in the case of a Qualified Birth or Adoption Distribution, as described in the section “Qualified Birth or Adoption Withdrawals” below.

Hardship Withdrawals

If you have not begun to receive any retirement benefits, you may elect to receive a distribution of all or part of your Salary Reduction Contributions (not including any earnings on those contributions) in the event of financial hardship. Any request for a hardship distribution must be filed with the Board and is subject to written spousal consent. Such spousal consent shall be provided pursuant to procedures adopted by the Plan Administrator. You can obtain a copy of the Plan’s hardship withdrawal form by contacting the Board at (615) 760-6105, or you can call the Board of Retirement Office’s toll-free number at (877) 767-7738.

A hardship distribution will be made only if the Board determines that you have an “immediate and heavy financial need,” and only to the extent that the distribution is “necessary” to satisfy that need. You will not be restricted (and there will be no suspension) from making Employee Elective Contributions to the Plan for any hardship withdrawal requests on or after January 1, 2019.

A distribution will be on account of an “immediate and heavy financial need” only if the distribution is for:

- expenses for (or necessary to obtain) medical care for you, your spouse, your dependents, or your primary beneficiary under the Plan (as defined by the Plan) that would be deductible under Code section 213(d), determined without regard to the limitations in Code section 213(a);
- costs directly related to the purchase (excluding mortgage payments) of your principal residence;
- the payment of tuition related educational fees, and room and board expenses for up to the next 12 months of post-secondary education for you, your spouse, your children or dependents, or your primary beneficiary under the Plan (as defined by the Plan);
- payments necessary to prevent eviction from your principal residence or foreclosure on the mortgage on your principal residence;
- payment of funeral or burial expenses for your deceased parent, spouse, your children, other dependents, or for your deceased primary beneficiary under the Plan (as defined by the Plan);
- payment for expenses for the repair of damage to your home caused by catastrophic events, such as floods, hurricanes or tornados that would qualify for the casualty deduction under Code section 165 (determined without regard to Code section 165(h)(5) and without regard to whether the loss exceeds 10% of adjusted gross income);
- payment of expenses and losses (including loss of income) incurred by you on account of a disaster declared by the Federal Emergency Management Agency (FEMA) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, provided that your principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster.

A distribution is “necessary” to satisfy an immediate and heavy financial need if the following requirements are met:

- The amount of the distribution cannot be in excess of the amount of the immediate and heavy financial need (including any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution);

- You must have obtained all other distributions (other than loans available under the Plan) currently available under this Plan and all other plans of deferred compensation maintained by your employer, whether qualified or not qualified; and
- You have provided to the Plan Administrator, or its designee, a representation in writing (or by using a permitted electronic medium) that you have insufficient cash or other liquid assets reasonably available to satisfy the need, and the Plan Administrator or its designee does not have actual knowledge that is contrary to this representation.

The Plan Administrator or its designee may require additional conditions for you to demonstrate that a distribution is necessary to satisfy an immediate and heavy financial need.

Qualified Birth or Adoption Withdrawals

Effective as of January 1, 2023, in accordance with and subject to the procedures of the Board, if you are not yet entitled to receive benefits under the Plan, subject to written spousal consent, you may request a distribution of up to \$5,000 (per each child or Eligible Adoptee) from your Salary Reduction Contributions, Roth Contributions, After-Tax Contributions, Rollover Contributions, Transfer Contributions and vested Employer Contributions as a Qualified Birth or Adoption Distribution (as described in Code section 72(t)(2)(H)(iii) and any applicable regulatory guidance). A Qualified Birth or Adoption Distribution may be requested during the one-year period beginning on the date on which your child is born or on the date which the legal adoption of your Eligible Adoptee is finalized. This \$5,000 limit will be reduced by any other Qualified Birth or Adoption Distribution made to you with respect to the same child or Eligible Adoptee or by any other plan maintained by your employer or a related company. If you request a Qualified Birth or Adoption Distribution, you must represent that you are eligible to receive such Qualified Birth or Adoption Distribution and provide other documentation as may be requested by the Plan Administrator or its designee.

An Eligible Adoptee is an individual, other than a child of your spouse, who has not attained age 18, or if older than 18 years of age is physically or mentally incapable of self-support.

A Qualified Birth or Adoption Distribution is not subject to the 10% early distribution penalty tax. It is also not subject to the mandatory withholding rules.

If you receive one or more Qualified Birth or Adoption Distributions from this Plan, and you are permitted to make a Rollover Contribution to the Plan, you may in accordance with and subject to the procedures of the Board, make one or more contributions to the Plan in an aggregate amount not to exceed the amount of your Qualified Birth or Adoption Distribution(s). The Plan will treat such a contribution as a Rollover Contribution made by direct trustee-to-trustee transfer within 60 days of distribution.

Direct Rollovers and Mandatory Withholding

Rollovers of all Contributions Except for Roth Contributions. If you are entitled to receive a distribution under the Plan which is an “eligible rollover distribution,” you may roll all or a portion of it over, either directly or within 60 days after receipt, into another eligible retirement plan or into an IRA. An eligible rollover distribution, in general, is any taxable cash distribution in excess of \$200. However, an eligible rollover distribution does not include any distribution that is part of a series of substantially equal payments payable over a period of not less than ten years, or for the life or life expectancy of the employee (or the joint lives or life expectancies of the employee and the employee’s designated beneficiary). Annuity payments also are not eligible rollover distributions. Hardship distributions and Qualified Birth or Adoption Distributions are also not eligible rollover distributions. However, installment payments under this Plan that are paid out over a period of less than ten years are eligible rollover distributions and are subject to the rollover rules described in this section.

An eligible rollover distribution will be subject to a 20% federal withholding tax unless it’s rolled over directly into another eligible retirement plan or IRA.

If you have the eligible rollover distribution paid directly to you, then the Plan must withhold 20% of the distribution even if you intend to roll over the money into another retirement plan or into an IRA within 60 days. (That means that if you elect to receive installment payments over a period of less than 10 years, then the Plan will have to withhold 20% of any such installment payment that is more than \$200 and is paid directly to you.) To avoid withholding, you must instruct the Board to roll the money over for you to another retirement plan or IRA.

In addition to IRAs, the following plans are “eligible retirement plans” which can elect to accept a rollover from this Plan:

- *Another 403(b) plan; or*
- *A qualified 401(a) plan (including a 401(k) plan); or*
- *A governmental 457(b) plan.*

You can also roll over an eligible rollover distribution to a Roth IRA. If you roll over the payment to a Roth IRA, a special rule applies under which the amount of the payment rolled over will be taxed in the year of the rollover. However, any amounts you roll over to a Roth IRA, will not be taxed when you withdraw them from the IRA. In addition, if the distribution is a “qualified distribution,” you will not be taxed on the earnings on distributions from your Roth IRA.

Rollovers of Roth Contributions. There are special rules that apply to rollovers of Roth Contributions. Roth Contributions can be rolled over only to a Roth IRA or to another 403(b) plan that agrees to separately account for Roth Contributions. (Note: Roth Contributions cannot be rolled over into 401(k) plan or a governmental 457(b) plan.)

Please contact the Board at (615) 760-6105 or at the Board's toll-free number at (877) 767-7738, if you would like further information about the rollover rules, including the types of plans to which you can rollover your Plan distributions.

Roth In-Plan Conversions

The Plan allows you in certain circumstances to make an in-plan direct Roth rollover by transferring certain non-Roth funds that you have contributed to the Plan into a Roth account in the Plan. This is known as an "in-plan rollover" or "in-plan conversion."

You can convert certain Plan accounts into Roth Contributions by making a direct rollover to a designated Roth account in the Plan. If you are eligible for a distribution, all distributable amounts are eligible for an in-plan Roth rollover. In-plan Roth rollovers will be administered as provided for by IRS guidance and the Plan provisions. But, in addition, you can convert (transfer) amounts that are not yet eligible for a distribution. For example, if you are under 59½, you can convert your pre-tax Salary Reduction Contributions that are not distributable under the Plan or Code into Roth Contributions. Such in-plan Roth transfers will be administered as provided for by IRS guidance and the Plan provisions.

If you are not eligible for a distribution, only the following accounts (and any earnings on these accounts) are eligible for an in-plan Roth rollover: pre-tax Salary Reduction Contributions, Rollover Contributions, and After-Tax Contributions.

There is no income tax withholding required on an in-plan Roth rollover. However, you will have to pay taxes on the taxable amount of any in-plan Roth rollover. That means that you will generally include the taxable amount (fair market value minus your basis in the distribution) of an in-plan Roth rollover in your gross income when you file your tax returns for the tax year in which you make the in-plan Roth rollover. However, these amounts will not be taxed when you withdraw them from the Plan. In addition, if the distribution is a "qualified distribution," you will not be taxed on any earnings on these converted amounts.

Transfers

Except in the case of rollovers and in Plan Roth conversions, which are described in the preceding sections, you are not allowed to transfer any money out of this Plan to another retirement plan. However, certain transfers into the Plan will be accepted.

LOANS

You are allowed to borrow money from your Account (except for Roth Contribution account or Roth rollover contributions, if any) if you have been participating in the Plan for at least two (2) years. You must provide the Board with the written consent of your spouse before you will be eligible to receive any Plan loan. Such spousal consent shall be provided pursuant to procedures adopted by the Plan Administrator.

You are only permitted to have one Plan loan outstanding at any time. A loan is made directly from your individual Plan Account, with the amount taken proportionately from each of your eligible contribution sub-accounts (i.e., Salary Reduction Contributions Account, Employer Contributions Account, Rollover Account, etc.). Loan repayments will be credited to the individual Plan sub-accounts from which loan funds were originally taken, on a *pro rata* basis.

Amount of Loan. The minimum amount you can borrow from the Plan cannot be less than \$1,000. The maximum amount you can borrow cannot be more than the lesser of the following:

- \$50,000, reduced by the amount of the highest outstanding loan balance during the one-year period ending on the day preceding the date of the loan; or
- 50 percent of your Account balance.

The Board may adopt rules that reduce the maximum amount available for a loan, or that provide a different minimum amount that may be borrowed from the Plan.

Repayment. All Plan loans must be repaid within five (5) years from the date of the loan. Loans are repaid in equal installments over the term of the loan. You must make payments by ACH (bank draft) with payments to be made not less frequently than quarterly.

Interest Rate. All loans will bear a reasonable rate of interest as determined by the Board.

Administrative Fee. The Board charges an administrative fee equal to 7% on the outstanding balance of the loan. This amount will be included in each scheduled loan payment. This 7% fee is not credited to your Account.

Applying for a Loan. To apply for a Plan loan, you must send properly-completed loan forms to the Board. You will also have to sign a collateral promissory note containing any other terms and conditions that the Board requires in connection with Plan loans. For more information on Plan loan requirements, and to obtain the required Plan loan forms, you should contact the Board at (615) 760-6105, or you can also call the Board of Retirement Office's toll-free number at (877) 767-7738.

What Happens if You Default. If you default on your loan repayments, you are taxed as if you received a distribution from the Plan. This is referred to as a "deemed distribution." The actual foreclosure on the note and attachment of the security for your Plan loan (which is your Plan Account) will not take place until you are otherwise entitled to a distribution from the Plan.

However, even though a foreclosure cannot take place until later, a distributable event occurs for federal income tax purposes. That means that you will be taxed on any amount outstanding on the loan in the year in which the “deemed distribution” occurs (i.e., in the year you default on your loan repayments). If this “deemed distribution” occurs before you reach age 59½, it generally will also be subject to an additional 10% penalty tax for early distribution.

Distribution of Accrued Benefit. If your vested Account balance is distributed prior to you repaying your loan and all interest on such loan, such distribution will include, as an offset, the amount of unpaid principal and accrued interest on the loan as of the date of the distribution.

CLAIMS PROCEDURES

When you are eligible and want to receive your Plan benefits, you will need to file an application for benefits. You can call the Board of Retirement Office at (615) 760-6105 to receive a copy of this application, or you can also obtain it by calling the Board of Retirement Office's toll-free number at (877) 767-7738.

You must file your claim for benefits in writing with the Board at the following address:

National Association of Free Will Baptists
Board of Retirement and Insurance
Post Office Box 5002
Antioch, Tennessee 37011-5002

If your claim for benefits is wholly or partially denied, the Board will provide you with a written notice of the denial. This notice will include:

- *the specific reasons for the denial;*
- *references to the provisions in the Plan upon which the denial is based;*
- *a description of any additional information needed to complete the claim, along with an explanation for why such information is necessary; and*
- *an explanation of the Plan's claim procedure.*

You have 60 days from the receipt of a notice of denial in which to send in a written request for review by the Board.

The Board will provide you with a written decision following the review. This decision will include the specific reasons for the decision following review. All decisions and denials of claims by the Board shall be binding on all parties and shall be afforded the maximum deference permitted by law.

ADMINISTRATIVE PROVISIONS

Limitation of Liability

When you decide to receive your Plan benefits in the form of an annuity, the Board will set aside funds to back up payments under that annuity. The Board invests these reserve funds for the purpose of providing funds to pay for your monthly annuity. These life-long annuity payments can only be made to the extent there are assets sufficient to provide for payment, and the Board does not assume liability for any payments that cannot be made from Plan assets. In addition, the Board is not liable for the failure of any Free Will Baptist church to permit you to participate or to enroll you in this Plan.

Amendment and Termination

While it is expected that this Plan will continue indefinitely, the Board may, in its settlor capacity, modify, amend or terminate the Plan for any reason at any time, from time to time, and retroactively if it determines it is necessary or appropriate. The President/CEO of the National Association of Free Will Baptists, Inc. may, in its settlor capacity, also amend the Plan subject to certain limitations described in the Plan. In addition, your employer has the right to terminate its participation in the Plan. If the Plan is terminated, or if your employer ceases to participate in the Plan, the Board has the right to decide to pay all benefits to which you are entitled under this Plan in the form of a lump sum, to the extent permitted by law.

Responsibilities of Parties

The Board shall be responsible for all matters relating to the administration and management of the Plan with respect to contributions that it receives. The Board is not responsible for any matters relating to the administration and management of any other 403(b) plan or 403(b) provider to which your employer permits you to make contributions.

Notification of Mailing Address

It is very important for you to keep the Board informed of your current address and the current address of any beneficiaries you may designate under the Plan. When you or a beneficiary becomes entitled to benefits, the Board will contact you or the beneficiary. If the Board does not have your current address, it will try to locate you. However, the Board is not under any obligation to search for you or ascertain the whereabouts of you or your beneficiaries. Therefore, you should be sure to provide the Board, in writing, with any change of the post office address for you or any beneficiary. Any check representing any payment due under this Plan, and any communication forwarded to you at the last known address as indicated by the records of the Board, will constitute adequate payment to you (in the case of a check) and shall be binding on you for all purposes of the Plan.

This notification requirement also applies in all respects to any of your beneficiaries who may be entitled to benefits under this Plan.

If your beneficiary predeceases you or cannot be located, or if you have not named a beneficiary, your Account will be paid to your surviving spouse. If you have no surviving spouse, your Account will be paid, in equal shares, to the first of following classes of beneficiaries with one or more surviving members: your children, your parents, your brothers and sisters, or the executors and administrators of your estate.

DEFINITION OF TERMS USED IN THIS BOOKLET

Account	The bookkeeping account or accounts established for the purpose of separately accounting for contributions (with any earnings and losses) made to the Plan on behalf of each Plan participant.
After-Tax Contributions	Contributions you choose to make to the Plan on an “after-tax” basis. (Essential information about After-Tax Contributions is provided on page 6 of this Booklet.)
Board	The Board of Retirement and Insurance of the National Association of Free Will Baptists, Inc. The Board is the plan administrator for this Plan.
Employer Contributions	Contributions a Participating Employer elects to make on behalf of an eligible employee Plan participants. (Essential information about Employer Contributions is provided on page 5 of this booklet.)
Participating Employer	An eligible employer that agrees to participate in the Plan. Eligible employers include the churches and agencies that are participating cooperatively with the National Association of Free Will Baptists, Inc., as well as any other Free Will Baptist churches or agencies not associated with the National Association of Free Will Baptist, Inc. In addition, certain other employers that pay a salary to a Free Will Baptist minister who is performing services in the exercise of his ministry may be eligible to be treated as Participating Employers if they are approved by the Board to participate in the Plan. In certain instances, a self-employed minister of the Free Will Baptist Church who is making contributions to the Plan and has executed required enrollment agreement materials may be a Participating Employer.
Participation Option	The different levels of participation in the Plan that eligible employees can select. The Participation Options are described on pages 5 and 6 of this booklet.
Plan	The Retirement Pension Plan of the National Association of Free Will Baptists. Each Participating Employer adopts this

Plan as a separate plan, independent from the plan of any other Participating Employer.

Rollover Contributions

A contribution made by you in a direct transfer to this Plan after you have received a distribution from another eligible retirement plan, including an IRA. (Essential information about Rollover Contributions is provided on page 6 of this booklet.)

Roth Contributions

Contributions you voluntarily choose to make to the Plan on an “after tax” basis by way of Salary Reduction Agreement. (Essential Information about Roth Contributions is provided on page 6 of this booklet.)

Roth In-Plan Conversions

In-plan direct Roth rollover by which, upon your election and in accordance with Plan and Code Rules, certain Plan accounts are converted into Roth Contributions. (Essential information about Roth In-Plan Conversions is provided on page 29 of this booklet.)

Salary Reduction Contributions

Contributions you voluntarily choose to make to the Plan on a “before tax” basis by way of a salary reduction agreement. (Essential information about Salary Reduction Contributions is provided on page 5 of this booklet.)

Transfer Contributions

A contribution made to this Plan by way of a transfer directly from another 403(b) provider, without the transferred amount having been first distributed to you. (Essential information about Transfer Contributions is provided on page 6 of this booklet.)

SUMMARY

This Plan Summary is provided to participants as a summary of the Plan document. Should there be conflict between this document and the Plan document, the Plan document will control.